



University of  
NORTH ALABAMA  
FOUNDATION

**BUDGET, FINANCE & AUDIT COMMITTEE  
UNA FOUNDATION**

*Friday November 12, 2021; 10:30 – 11:30 a.m.*

*The Guillot University Center – Banquet Hall C*

**AGENDA**

- I. Welcome.....Cathy Miller '83, *Chair*
- II. Review of Prior Meeting Minutes.....Cathy Miller
- III. Review of Development Goals.....Kevin Haslam
- IV. Review of Gift Administration Fees.....Cathy Miller  
Review of existing administrative fees on restricted gifts
- V. Summary of University Priorities Expenditures.....Kevin Haslam
- VI. Review of Foundation Financial Statements.....Gwen Patrick

**MEMBERS**

<i>Cathy Miller '83, Chair</i>	<i>Kyle Buchanan</i>	<i>Kevin Haslam (ex-officio)</i>
<i>Mike Washburn '82, Vice Chair</i>	<i>Graham Sisson '87</i>	<i>Evan Thornton '15 (ex-officio)</i>
<i>Larry Bowser</i>	<i>Matthew Schmitz '00</i>	<i>Lucy Trousdale '89</i>

*Gwen Patrick '83, Staff Liaison*

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**ARTICLE V, Section 2**

The UNA Vice President for University Advancement/Executive Director and the UNA Vice President for Business and Financial Affairs/Treasurer shall serve as staff to the Committee. The Budget, Finance and Audit Committee shall submit for approval to the Board of Directors its recommendations as to an annual budget for the UNA Foundation. The Committee shall review the annual audit (in preliminary and final forms) of the Foundation prepared by the independent auditing firm then servicing the Foundation, shall present the annual audit report to the Executive Committee and the Board of Directors for approval and shall recommend to the Executive Committee and Board of Directors such other policies as it deems necessary and appropriate to assure the prudent oversight of the business and financial affairs of the Foundation. The Chair of this committee also serves as Treasurer of the Foundation Board of Directors and of the Board's Executive Committee.



University of  
NORTH ALABAMA  
FOUNDATION

**MINUTES**  
**BUDGET, FINANCE AND AUDIT COMMITTEE**  
**UNA FOUNDATION**

*Friday, July 23, 2021; 10:30 a.m. – 11:30 a.m.*

*The Guillot University Center – Banquet Hall D*

Present: Chair Chuck Hunt, Vice Chair Cathy Miller (via Zoom), Kyle Buchanan, Steve Jager, Matthew Schmitz, Larry Bowser, Evan Thornton (ex-officio) and Foundation Executive Director Kevin Haslam (ex-officio) and Dana Aldridge (visitor).

Not Present: Lucy Trousdale

Staff Liaison: Gwen Patrick

The meeting was called to order at 10:30 a.m.

Chair Hunt reviewed minutes from the March 12, 2021 Budget, Finance, and Audit Committee meeting and also minutes from the July 15, 2021 Zoom committee meeting. Mr. Jager made a motion to approve both sets of minutes. Kyle Buchanan provided a second and all members voted in favor.

Foundation Executive Director Haslam then reviewed the Fiscal Year 2021 Development Goals with the committee. 78% of the Fiscal Year has elapsed and the Foundation has reached 104% of its annual goal as of July 12, 2021. \$5,418,118 has been raised versus a goal of \$5,210,301. Also, it was emphasized that there have been 1,820 unique donors versus a goal of 2,152 for the same time period. The Foundation is on pace to achieve this goal but are only 7% ahead of the same time period this past fiscal year. Emphasis will continue to be placed on this important statistic.

Gwen Patrick proceeded to review details of the Proposed Unrestricted Operating Budget Draft for Fiscal Year 2022. Several individual line items were discussed including the prospect of travel in the next fiscal year and Executive Director Haslam's plans for direct mail and marketing expenses which will be increasing from the current fiscal year. The proposed budget will also change the Operating Reserve to \$190,037. After the discussion, Steve Jager made a motion that the Proposed Unrestricted Operating Budget for Fiscal Year 2022 be approved. Larry Bowser seconded the motion and all members voted in favor.

Gwen Patrick proceeded to review the statement reflecting the Actual Unrestricted Income and Expenses to Budget as of June 30, 2021. Due to successful fundraising and market performance, it is expected that revenue will exceed the budgeted amount for the fiscal year. Expenses continue to be below budget but it was disclosed that several budgeted items that have not been paid will be paid before the end of the fiscal year and that a small profit is to be expected. Ms. Patrick also reviewed a Statement of Financial Position and Statement of Activities

for June 30, 2021 which reflected market gains that increased Total Assets from the previous reporting period from \$42M to \$48M.

Several members asked questions regarding federal funds received from pandemic stimulus packages and Mr. Thornton related details regarding that topic.

Several questions were also asked regarding topics to be discussed at future meetings. They are

- Can the consultant provide the committee with information regarding how UNA compared with other universities in its response to the pandemic (safety, activities, etc.)?
- Can a summary be provided of how the University Priorities line item has been spent in the past?
- How does UNA's endowment compare to other similarly sized universities?

Mr. Bowser made a motion to adjourn the meeting, Mr. Buchanan provided a second and the meeting was adjourned at 11:26 a.m.

**UNA FOUNDATION**

Budget vs. Actual

Fiscal Year through September 2021 - Unaudited

	<b>Actual Fiscal YTD</b>	<b>Fiscal Year Budget</b>	<b>Over (Under) Budget</b>
<b>Restricted for University Priorities</b>			
<b>Prior Year's Budget Surplus</b>	<b>110,000.00</b>	<b>110,000.00</b>	
<b>Income</b>			
1830 Fund	97,806.95	150,000.00	(52,193.05)
<b>Expenses</b>			
Derby Day Expenses	1,317.50		1,317.50
University Priorities	210,000.00	210,000.00	-
President's Discretionary Fund	39,122.57	50,000.00	(10,877.43)
	<b>250,440.07</b>	<b>260,000.00</b>	<b>(9,559.93)</b>
<b>Net Income for University Priorities</b>	<b>(42,633.12)</b>	<b>-</b>	<b>(42,633.12)</b>
<b>Unrestricted</b>			
<b>Prior Year's Budget Surplus</b>	<b>40,000.00</b>	<b>40,000.00</b>	
<b>Income</b>			
1% Fee on Endowed Funds	340,210.08	295,000.00	45,210.08
2% Fee on Current Use Funds	39,328.83	50,000.00	(10,671.17)
Interest Income	38,180.41	20,000.00	18,180.41
	<b>417,719.32</b>	<b>365,000.00</b>	<b>52,719.32</b>
<b>Expenses</b>			
<b>Fundraising/Cultivation</b>			
Donor Relations	9,377.12	10,000.00	(622.88)
Donor Travel and Cultivation	2,421.03	30,000.00	(27,578.97)
Dues, Memberships and Donations	7,249.00	10,000.00	(2,751.00)
Contracted Services	31,786.43	40,000.00	(8,213.57)
Donor Recognition Events	10,992.19	11,000.00	(7.81)
Marketing and Direct Mail	59,238.14	35,000.00	24,238.14
Capital Campaign Expenses	414.00		414.00
Staff Development Fees & Travel	9,619.34	15,850.00	(6,230.66)
Other Travel	1,554.57	4,300.00	(2,745.43)
Alumni Club Development	14,845.77	20,000.00	(5,154.23)
<b>Foundation Operating Expenses</b>			
Supplies	10,496.12	14,000.00	(3,503.88)
Postage, Printing & Copying	22,580.17	18,000.00	4,580.17
Audit & Accounting	18,850.00	18,850.00	-
Computer & Software Services	63,677.14	79,000.00	(15,322.86)
Insurance	7,138.00	12,000.00	(4,862.00)
Bank/Credit Card Fees	11,460.47	12,000.00	(539.53)
<b>General Program Support</b>	<b>87,879.99</b>	<b>75,000.00</b>	<b>12,879.99</b>
<b>Total Expenses</b>	<b>369,579.48</b>	<b>405,000.00</b>	<b>(35,420.52)</b>
<b>Net Unrestricted Income</b>	<b>88,139.84</b>	<b>-</b>	<b>88,139.84</b>
<b>Total Net Restricted and Net Unrestricted Income</b>	<b>45,506.72</b>	<b>-</b>	<b>45,506.72</b>

**University of North Alabama Foundation**  
**Statement of Financial Position (unaudited)**  
**September 30, 2021**

**Assets**

Current Assets

Cash and Cash Equivalents	\$ 3,574,460.42
SEI Short Term Investment Account	\$ 1,993,085.84
Pledges Receivable	270,227.63
Interest Receivable	12,846.61
Total Current Assets	<u>5,850,620.50</u>

Long-Term Investments

Restricted Assets for Long-Term Investment	511,042.47
Investments	<u>41,216,747.03</u>
Total Long-Term Investments	<u>41,727,789.50</u>

Fixed Assets, Net	98,650.00
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Other Assets

Cash Surrender Value Life Insurance	175,533.74
Pledges Receivable - Non-Current	<u>643,865.00</u>

<b>Total Assets</b>	<b><u><u>\$ 48,496,458.74</u></u></b>
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**Liabilities and Net Assets**

Liabilities

Accounts Payable	\$ 493,361.43
Annuity Obligations	<u>198,825.04</u>
Total Liabilities	<u>692,186.47</u>

Net Assets	<u>47,804,272.27</u>
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<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 48,496,458.74</u></u></b>
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**UNA Foundation**  
**Statement of Activities**  
**Fiscal Year to Date September 30, 2021 (Unaudited)**

	Unrestricted	Restricted	Fiscal YTD 9/30/2021
<b>Support and Revenue</b>			
<b>Support</b>			
Contributions	97,806.95	5,747,960.61	5,845,767.56
In-Kind Contributions		18,857.45	18,857.45
Other Income	4,574.50	36,734.36	41,308.86
Interest Income	33,062.30	34,499.59	67,561.89
Transfers - Net	360,263.91	(360,263.91)	-
<b>Total Support</b>	<b>495,707.66</b>	<b>5,477,788.10</b>	<b>5,973,495.76</b>
<b>Investment Revenue</b>			
Interest & Dividend Revenue		1,396,803.18	1,396,803.18
Capital Gains (Losses)		361,050.06	361,050.06
Unrealized Gains (Losses)		4,822,877.64	4,822,877.64
Investment Fees		(143,263.53)	(143,263.53)
<b>Total Investment Revenue</b>		<b>6,437,467.35</b>	<b>6,437,467.35</b>
<b>Total Support and Revenue</b>	<b>495,707.66</b>	<b>11,915,255.45</b>	<b>12,410,963.11</b>
<b>Expenses</b>			
Special Events Expenses (Derby Day)	1,317.50		1,317.50
Supplies	10,496.12	54,915.38	65,411.50
Postage, Printing & Copying	22,580.17	7,977.87	30,558.04
Marketing Expenses	59,238.14		59,238.14
Audit & Accounting	18,850.00	500.00	19,350.00
Dues, Memberships & Donations	6,849.00	33,571.36	40,420.36
Capital Campaign Expense	414.00		414.00
Contracted Services	31,786.43	195,414.02	227,200.45
Insurance	7,138.00	3,843.40	10,981.40
Fees	11,460.47	2,335.70	13,796.17
Travel	3,975.60	8,488.93	12,464.53
Staff/Faculty Development & Travel	9,619.34	21,585.55	31,204.89
Meetings and Events	10,361.47	40,265.70	50,627.17
Repairs & Maintenance		93,980.67	93,980.67
Scholarships		914,897.33	914,897.33
Student Support		19,773.66	19,773.66
Program Support	336,770.40	170,825.70	507,596.10
Awards and Stipends		39,225.43	39,225.43
Alumni Club Development/NAA Events	14,845.77	3,465.59	18,311.36
Software & Computer Expense	63,677.14	6,870.36	70,547.50
In-Kind Expense		18,857.45	18,857.45
Pledge Write-Offs		135,902.40	135,902.40
<b>Total Expenses</b>	<b>609,379.55</b>	<b>1,772,696.50</b>	<b>2,382,076.05</b>
<b>Beginning Net Assets</b>	<b>1,808,191.00</b>	<b>35,967,194.21</b>	<b>37,775,385.21</b>
<b>Net Income (Deficit)</b>	<b>(113,671.89)</b>	<b>10,142,558.95</b>	<b>10,028,887.06</b>
<b>Ending Net Assets</b>	<b>1,694,519.11</b>	<b>46,109,753.16</b>	<b>47,804,272.27</b>

**Figure 3.12-t**  
**Annual administrative fee charged by institutionally related foundations**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	134	0	0	134	0	0
Minimum Annual Fee	0.25			0.25		
Median Annual Fee	1.25			1.25		
Maximum Annual Fee	3.60			3.60		

**Figure 3.13-t**  
**One-time new gift fee charged by institutionally related foundations**

	Total Institutions	Private College/ University Endowment	Public College, University, or System Fund	Institutionally Related Foundation (IRF)	Combined Endowment/ Foundation	Others
Total Institutions	705	433	94	137	36	5
Responded Institutions	132	0	0	132	0	0
Minimum one-time fee	1.00			1.00		
Median one-time fee	5.00			5.00		
Maximum one-time fee	10.00			10.00		



UNA FOUNDATION  
Analysis of Spend Rate and CPI vs. Portfolio Rate of Return

Year Ending	Portfolio Rate Of Return	Spend Rate plus Admin Fee	CPI	Total Spend Plus CPI	Over (Under)
12/31/2012	11.51%	5.00%	1.70%	6.70%	4.81%
12/31/2013	15.54%	5.00%	1.40%	6.40%	9.14%
12/31/2014	3.40%	5.00%	0.70%	5.70%	-2.30%
12/31/2015	-2.30%	5.00%	0.80%	5.80%	-8.10%
12/31/2016	6.60%	5.00%	1.90%	6.90%	-0.30%
12/31/2017	11.10%	5.00%	2.00%	7.00%	4.10%
12/31/2018	-1.80%	5.00%	2.00%	7.00%	-8.80%
12/31/2019	8.22%	5.00%	2.20%	7.20%	1.02%
12/31/2020	12.14%	5.00%	1.20%	6.20%	5.94%
9/30/2021	9.73%	5.00%	4.40%	9.40%	0.33%

UNA FOUNDATION  
Range of Gift Administrative Fees

**Endowment Administrative Fee**

Range of Fees	1.00%	1.50%	1.75%	2.00%
Annual Assessment	\$ 367,000	\$ 550,000	\$ 642,250	\$ 734,000
Increase		\$ 183,500	\$ 275,250	\$ 367,000

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**Other Gift Administrative Fee**

Range of Fees	2.00%	2.50%	3.00%	3.50%
Annual Assessment	\$ 40,000	\$ 50,000	\$ 60,000	\$ 70,000
Increase		\$ 10,000	\$ 20,000	\$ 30,000